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UNCLAS SECTION 01 OF 02 STATE 123492

SENSITIVE  
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E.O. 12958: N/A  
TAGS: [KGGH](#) [EAGR](#) [SENV](#) [ENRG](#) [TRGY](#) [EUN](#) [EU](#)  
SUBJECT: ACTION REQUEST: DELIBERATION BY MEMBER STATES ON  
EU BIOFUELS SUSTAINABILITY LEGISLATION

REF: A. USEU 1629  
[1](#)B. STATE 99217

[1](#)1. (U) This is an action request for Posts in EU Member State capitals. Please see paragraph 2.

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OBJECTIVES  
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[1](#)2. (SBU) In preparation for the European Council meeting December 10-11, and a planned early December European Parliament vote on the European Union's "20-20-20" Energy and Climate legislation, Department requests Posts in EU Member State capitals inform host governments of the below points regarding the EU's biofuels sustainability proposals. Although eliciting a formal response from the host government is not necessary, Department requests Post's reporting of host government's formal or informal reaction on this topic.

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REPORTING DEADLINE AND POINTS OF CONTACT  
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[1](#)3. (U) Posts are requested to report host government response to this demarche by cable slugged to EUR/ERA Matthew Beh (202 647 1820, behmk@state.gov) and OES/EGC Drew Nelson/Ben Zaitchik (202 736 7444, nelsonds@state.gov) on or before Wednesday, November 26, 2008. This short timeline is necessary to influence European decisionmakers in the window of time between the Biofuels Ministerial in Brazil the week of November 17, and the deliberations in Council on the EU legislation the week of December 8. For further information on the EU legislation and its specific biofuels proposals, please see Ref A and Ref B, respectively, or contact Matthew Beh or Drew Nelson.

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BACKGROUND AND GUIDANCE POINTS  
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[1](#)4. (SBU) Department requests that Posts in EU Member State capitals convey the substance of the points below regarding the EU's efforts to implement mandatory sustainability metrics for biofuels, including greenhouse gas emissions reductions, as part of the Energy and Climate legislation currently under consideration. Draw from the following text as deemed appropriate:

BEGIN NON-PAPER TEXT

-- The United States strongly reaffirms its commitment to a stronger, more sustainable international biofuels market, both through our domestic legislation as well as our international efforts.

-- Biofuels offer a powerful tool for achieving the EU's ambitious goals to reduce greenhouse gas emissions, and are a critical element of U.S. national strategy for mitigating greenhouse gas emissions, improving energy security, and increasing global rural economic opportunity.

-- In deliberations on the EU Energy and Climate legislative package, the U.S. urges Member States to carefully review recent amendments made by the European Parliament on sustainability requirements for biofuels. Many of these amendments are subjective or impractical, lack a firm scientific basis, and raise significant questions of consistency with the WTO.

-- The U.S. further emphasizes the value of transparent, science-based standards in any sustainability analysis. We are committed to working collaboratively with the EU to this end.

-- As we understand that the EU is committed to implementing its renewable fuels directive in the very near future, we urge Member States to work collaboratively and caution them against taking trade restrictive actions against certain biofuels in the interim period.

-- It is essential that the EU allow adequate time for

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producers to comply with the mandatory biofuels sustainability framework that would emerge from the Energy and Climate legislative package. A rush to implementation of a complex scheme could have long-term market disruptive and distortive impacts that would be most severe for small producers and distributors. A minimum of one year should be allowed, ideally more, to ensure that the requirements are implemented in a practical, cost-effective manner.

-- U.S. domestic legislation, the Energy Independence and Security Act of 2007 (EISA), mandates minimum reductions for lifecycle greenhouse gas emissions from renewable fuels. EISA also mandates accounting for direct and significant indirect land use change in the lifecycle greenhouse gas emissions for biofuels. In addition, the U.S. is developing science-based criteria and indicators for sustainable biofuels.

-- We urge that Member States work in Council to ensure the Energy and Climate legislation as finalized gives European Commission staff authority and flexibility to develop sustainability criteria compatible with the requirements in the U.S. legislation. This will help maintain a fungible, "liquid" world market in biofuels. At the technical level, U.S. and European experts are already discussing this topic, and we hope to continue and strengthen that work.

-- Although the U.S. and EU may differ on the 'percentage' of emissions reductions sought from biofuels through mandatory domestic legislation, we should ensure that experts use compatible, science-based methodology for 'measuring that percentage,' to the greatest extent possible.

-- We are very concerned that U.S. corn ethanol is still excluded from the latest EU default emissions tables, even as Community-produced corn (maize) ethanol does have GHG emissions savings ascribed. This could limit U.S. producers' access to European markets. We urge you to develop comparable values for U.S. and European corn ethanol, and would appreciate your support in ensuring continued strong collaboration between the U.S and Europe.

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